

National MLTSS Health Plan Association

September 26, 2018

Chairman Orrin Hatch
Senate Finance Committee
104 Hart Senate Office Building
Washington, DC 20510

Senator Tom Carper
Senate Finance Committee
513 Hart Senate Office Building
Washington, DC 20510

Senator Bill Cassidy
Senate Finance Committee
520 Hart Senate Office Building
Washington, DC 20510

Ranking Member Ron Wyden
Senate Finance Committee
221 Dirksen Senate Office Building
Washington, DC 20510

Senator Pat Toomey
Senate Finance Committee
248 Russell Senate Office Building
Washington, DC 20510

Senator Robert Menendez
Senate Finance Committee
528 Hart Senate Office Building
Washington, DC 20510

Re: S.3338 – The Comprehensive Care for Seniors Act of 2018

Dear Chairman Hatch, Ranking Member Wyden, Senator Toomey, Senator Cassidy, Senator Menendez, and Senator Carper:

We are writing to recommend modification of S.3338, a bill that would require the Secretary of HHS to issue, in final form, currently-pending regulations that would allow a modified version of the Program of All-inclusive Care for the Elderly (PACE) without some of the constraints that many feel have hampered expansion of its enrollment over the years. While our Association appreciates the effort to provide the PACE program with additional flexibilities, we believe the Committee should add language to S.3338 directing the Secretary to also develop a more uniform regulatory structure for integrated plans serving Dual beneficiaries.

The National MLTSS Health Plan Association is an association of the nation's leading managed care plans that contract with states to manage Medicaid long-term services and supports (LTSS). The managed LTSS (MLTSS) plans in the Association cover over 1 million members in 18 states. Member organizations include Aetna Inc., AmeriHealth Caritas, Anthem Inc., CareSource, Centene Corporation, Commonwealth Care Alliance, L.A. Care Health Plan, Molina Health Care Inc., Tufts Health Plan, UPMC Health Plan, and WellCare Health Plans Inc. We are an Association that is committed to advancing integrated plans for individuals in need of LTSS.

The Association supports the efforts of the Centers for Medicare and Medicaid Services (CMS) to improve upon and refine the success of the PACE program. Today, there are 123 PACE programs that serve 45,000 beneficiaries and operate in 31 states.¹ PACE has successfully enabled individuals 55 years or older with nursing home-level of care needs to remain independent in their own homes through a

¹ <https://www.npaonline.org/sites/default/files/PACE%20Infographic%20Feb%202018.pdf>

unique program that employs an interdisciplinary team (IDT) to deliver services in a specific setting, such as an adult day health center.

CMS's proposed would address requirements for the PACE program that have limited its capacity to grow and serve a larger population of seniors with disabilities. In particular, the rule proposes to change requirements that have been an essential part of the PACE model. The proposed rule:

- Revises the requirement that a PACE organization be a non-profit or public entity;
- Allows for the provision of services at alternative care settings outside the PACE center;
- Revises the requirement that members of the IDT primarily serve PACE participants at the PACE location, and allows community-based physicians to fill the role of primary care provider on the IDT while continuing to work in community settings.

CMS's proposed modifications to the PACE regulations will make PACE more like Medicare Advantage (MA) and Medicaid managed care plans, particularly those plans that serve populations with complex and/or chronic disabilities: MMP, DSNP, and MLTSS.

We appreciate the Committee's interest in expanding PACE by freeing it from its current programmatic constraints. We urge the Committee, though, rather than simply directing the Secretary to promulgate rules that would add another layer of complexity to the "alphabet soup" of integrated plan types, to additionally direct the Secretary to begin an effort to promulgate new rules that would move toward a uniform regulatory framework for fully-integrated plans. There are features of PACE, particularly its pooling of funds and flexibility in providing services, that would be beneficial for all integrated plans serving beneficiaries with complex and/or chronic disabilities. By the same token, there are features of MA regulation, particularly providing important protections for beneficiaries, that should be applied to PACE organizations that will no longer have the restrictions that are imposed in current PACE rules.

The Association also urges the Committee in the future to consider developing a common statutory framework that would apply to all plans that integrate Medicare and Medicaid coverage for individuals with dual eligibility. A uniform statutory structure would provide a level playing field between various modalities, and not create incentives to choose one model over another. The framework would also accommodate various "modalities" of integrated plans - such as PACE - that may retain unique features needed to continue to serve specific subpopulations. The common framework should include uniform:

- appeals and grievance,
- marketing,
- enrollment process,
- network adequacy,
- claims reporting,
- rate-setting,
- reserves, and
- risk adjustment.

We welcome an opportunity to discuss these issues with you and your staff at the appropriate time. If you have any questions or would like further information, please contact me at 202-452-9217.

Sincerely,



G. Lawrence Atkins, PhD
Executive Director